SECRET

GENERAL HEADQUARTERS
FAR EAST COMMAND
Military Intelligence Section, General Staff

APO 500
CIS/SP INT/HVH 7 October 1948

SUBJECT: Intelligence Reorganization of the Chinese Nationalists in China

TO : Director of Intelligence, General Staff, United States Army, Washington 25, D. C.

1. Information has been received from a reliable source to the effect that the Chinese Nationalists in Nanking, China intend to reorganize their intelligence system and are recruiting certain Japanese to assist in this work.

2. a. Source reports that Major General TSAO Shih-cheng, (曹仕徵) is one of the two vice directors of the Second Bureau, Ministry of National Defense. He is described as a Chinese of average build, 43 or 44 years of age, wears glasses, is near-sighted, quiet spoken, was born in Hangchou, converses in French and Japanese and has some knowledge of English.

b. General TSAO visited the International Problems Research Institute at Peiping on 15 June 1948 on official inspection. While there he made a speech to the Japanese conscriptees in which he stressed the importance of developing friendly relations between China and Japan for the purpose of forming a Sino-Japanese bloc to offset the present United States-Soviet power in the Far East. During the visit, he interviewed several former Japanese Army officers employed by the International Problems Research Institute and requested them, on the bases of their knowledge of the Tokumu Kikan and HIDAKA organization (a former Japanese intelligence unit operating in North China during the war) to write a report on Japanese intelligence organs.

3. a. HIDAKA Tomiaki, ex-Colonel and former chief of the HIDAKA organization is alleged to be presently employed by the International Problems Research Institute at Peiping. He was also requested to write a report on the operation of the Japanese counter-espionage system. TSAO took a personal interest in HIDAKA and is reported to have flown to Shanghai with HIDAKA.

b. HIDAKA is scheduled to stand trial as a war criminal on charges preferred by the Soviets to the effect that he is responsible for the murder of two Soviet citizens after the cessation of hostilities. While at Shanghai, HIDAKA resided at the official residence of General TSAO. Source reports that HIDAKA expects to be acquitted on the basis that the murders were committed by a special mission of the

SECRET

(10)
091.711
C42 File Copy
JHK:IB WSC/vs

Kwangtung Army. Source also reports that after the trial HIDAKA intends to return to Nanking where he will assist in the reorganization of Chinese intelligence.

4. The same source further reports that General TSAO was accompanied to Shanghai by LI Hsiao Chieh (李小姐) aka Miss Li aka MEI Hsiao Chieh (梅小姐) who is about thirty (30) years of age, a graduate of Fu-jen (Catholic University) in Peiping, China, and who is believed to be one of the daughters of the late General SUN Ch'uang-fang. Since the end of the war she has become quite popular with the foreigners in Peiping and Tientsin. Source also obtained information from a Major CHANG Yu-tung (張有棟) of the International Problems Research Institute office in Peiping to the effect that since she speaks fluent English, she has been made an espionage agent, and assigned the task of securing information from American officers in Shanghai.

5. Further information will be forwarded upon receipt.

For the Assistant Chief of Staff, G-2:

S. W. KOSTER
Lt Colonel, GSC
Ass't Executive Officer

MEMO FOR RECORD: 6 Oct 48

201 file of HIDAKI Tomiaki (CIS Cent. Files) disclosed that HIDAKA tried to effect repatriation thru the Apostolic Delegates in China and Japan. Apostolic Del. in Japan fwded ltr to Gen. Willoughby. G-2 For. Lis. and Ja. Lia. suggested we effect repatriation as HIDAKA may have some intell. value. C/N fr G-2 to DS dated 14 Oct 47 requested Chinese Mission be contacted for repat of HIDAKA resigned fr Chinese employ and desired repat. Matter brought to light upon rec't of ESD-44 report ZCS 1586 dtd 2 Aug 48. C/N to DS fr G-2 dtd 10 Sep 48 subj: HIDAKA Tomioki re status of request dtd 14 Oct 47. DS replied by C/N dtd 22 Sep 48 that ltr sent Chinese Mission 21 Oct 47 has not been answered. In light of above info obtained fr ESD-44 report and activities of Chinese Female Agent in Shanghai, being forwarded to Dir. of Intell.

WSC 26-5972